

**REQUEST FOR PROPOSAL
FOR
LEASE OF OFFICE SPACE**

Tennessee Education Lottery Corporation

The Tennessee Education Lottery Corporation (hereinafter referred to as “TLC”) presents this Request for Proposal (“RFP”) by which all “Qualified Owners” (as defined below) are invited to submit a written proposal to lease commercial office space as herein described to TLC (a “Proposal”).

A. General Information. TLC intends to lease approximately 55,000 to 90,000 usable square feet (in accordance with the “BOMA Standard” defined below) of contiguous, existing Class “A” or Class “B” office space, which space is more particularly described below in Paragraph C of this RFP, for its headquarters in Davidson County, Tennessee. The lease will include terms of constructing within such space interior improvements to meet TLC’s operational needs, including without limitation, the installation and operation of sophisticated Information Technology equipment.

B. Qualified Owner. A “Qualified Owner” will have the following expertise and characteristics:

1. Extensive experience owning and operating large commercial real estate in the Nashville/Davidson County area and in working with institutional and business tenants;
2. Ownership of immediately available office space in Davidson County, Tennessee of a size and type consistent with TLC’s needs described above in Paragraphs A and C;
3. Willingness and demonstrated capability to meet extremely tight deadlines and to respond quickly to requests by TLC for information, conferences and evolving requirements;
4. Willingness to provide competitive and flexible leasing and build-out terms;
5. Demonstrated commitment to racial, ethnic and gender diversity.

C. Proposal Outline. Qualified Owners will be evaluated on the basis of their responses to this RFP for overall property characteristics, qualifications, experience, depth of resources, competitiveness of leasing and build-out terms and minority business participation. Proposals should be complete and contain all of the information outlined below:

1. A detailed statement of qualifications, which will include information regarding the firms that the landlord intends to use to provide design

and construction services in connection with TLC's tenant improvements.

2. Detailed description and information, including floor plans and renderings, of any proposed office space that is immediately available for TLC's build-out, use and occupancy.
3. Proposed leasing and build-out terms, including without limitation the items listed below in Section 4. [*Please note that TLC will not pay any broker's or finder's commission*]; and
4. A proposed form of lease agreement, which will include a work letter for tenant improvements. TLC's minimum requirements for the lease and office space are as follows:
 - (a) Ten-year primary term with four five-year options to renew.
 - (b) Space must contain 55,000 to 90,000 usable square feet, as measured by the BOMA Standard, of contiguous, existing space located on consecutive floors. The "BOMA Standard" shall mean the Building Owners' and Managers' Standard for Measurement of Office Space (ANSI Standard Z65.1-1996). Any reference hereinafter to "usable" square feet will mean as measured by the BOMA Standard.
 - (c) The rental rate for the primary term and any renewal terms must be at least 15% less than the building average rental rate as of the commencement of the primary term or applicable renewal term. Rent must be full-service and not net. TLC's obligation to pay rent will not commence until TLC's occupancy.
 - (d) Leased space must include data center space consisting of a minimum 10,000 usable square feet, which must be accessible to TLC seven days a week, twenty-four hours a day.
 - (e) Lease must include 150 to 180 parking spaces, on site or off site at a location that is easily accessible on foot without a shuttle, at no additional cost to Tenant.
 - (f) Landlord must make the building in which the leased space is located and its common areas secure to TLC's satisfaction.
 - (g) The landlord must provide TLC a tenant improvement allowance of \$25.00 per usable square foot for the ten-year primary lease term. Any unused portion of tenant improvement allowance may be credited against rent owed by TLC at the commencement of the term or used later in the term for further improvements, at TLC's option.
 - (h) Window blinds are considered a part of the base building and will be provided by the landlord at no additional cost to TLC.
 - (i) Auxiliary lighting for leased space is considered a part of the base building and will be provided by the landlord at no additional cost to TLC.

- (j) If the total cost of TLC's tenant improvements exceed the tenant improvement allowance, the landlord shall loan TLC the excess amount at an annual interest rate of 6%, which loan will be amortized and repaid over the ten-year primary term.
- (k) Tenant improvements for the leased space must be built as follows: (1) the landlord will cause TLC's requirements and specifications to be incorporated into plans and specifications no later than two weeks after lease execution; (2) TLC will have final approval over plans and specifications for the tenant improvements; (3) final plans and specifications must be stamped and certified by a Tennessee-licensed architect; (4) tenant improvements must be complete and ready for TLC's occupancy within 60 days after TLC's approval of plans and specifications; and (5) the landlord will pay to TLC liquidated damages of \$2,000.00 per day that the leased space is not ready for occupancy after the 60-day deadline.
- (l) The landlord will provide to TLC, at no additional cost, approximately 30,000 to 40,000 usable square feet of temporary space located within two (2) miles of the permanent leased space for TLC's use until tenant improvements in the permanent leased space are complete.
- (m) 7,000 usable square feet of leased space will be unfinished storage space. Rent for the unfinished storage space must be an equitably lower rate than for finished space.
- (n) Landlord must require performance and payment bonds from the general contractor constructing and installing tenant improvements in the leased space.

Proposals that do not address all of these areas will be considered incomplete and not subject to further consideration. Issuance of this RFP does not constitute a commitment on the part of the TLC to enter into a lease agreement (a "Lease"). The TLC retains the right, at its sole discretion, to reject any or all Proposals, in whole or in part, and to cancel this RFP (before or after receipt of Proposals in response thereto) if it considers it to be in the best interests of the TLC. Any Proposal that does not meet the requirements of this RFP may be considered to be non-responsive to this RFP, and the Proposal may be rejected. Any Proposal that restricts the rights of the TLC or otherwise qualifies the Proposal may be considered to be non-responsive to this RFP and the Proposal may be rejected. The TLC shall have the right, at its sole discretion, to cancel an RFP in its entirety and, at its sole discretion, to reissue or not reissue an RFP.

D. Incurred Expenses. The TLC shall not, under any circumstances, be responsible for any expenses incurred in the preparation or submission of a Proposal in response to this RFP.

E. Right To Use Information In The Proposals. Upon submission, all materials submitted to the TLC by any firm submitting a Proposal shall become the property of the TLC and may be used as the TLC deems appropriate.

F. Governing Law. The procurement process, the award procedure, and any Contract resulting from this RFP shall be governed by and construed in accordance with the laws of the State of Tennessee. Any and all protests arising under this RFP or the Lease shall be governed by the *Tennessee Education Lottery Corporation Dispute Resolution Procedures*, established by the Board of Directors and available through a link on the TLC's web site, www.tnlottery.gov. Any cause of action arising under this RFP or the Lease must be brought in the Chancery Court of Davidson County, Tennessee. Any firm submitting a Proposal shall waive, to the fullest extent permitted by law, any objection which it may have to the venue of the proceeding which is brought in such court.

G. Proposal Subject To Public Records Act. All data, materials, and documentation originated and prepared for the TLC pursuant to this RFP shall belong to the TLC and may be available to the public in accordance with the Tennessee Public Records Act, Tenn. Code Ann. §§ 10-7-101 et seq., and the Tennessee Open Meetings Act, Tenn. Code Ann. §§ 8-44-101 to 8-44-201; however the TLC will make reasonable attempts to maintain the confidentiality of any trade secrets or proprietary information clearly identified by firms submitting Proposals if such firms properly identify the particular data or other materials which are trade secrets or proprietary information in writing by page, paragraph and sentence prior to or upon submission to the TLC of the data or other materials to be protected. However, under no circumstances will the TLC be liable to any firm submitting a Proposal or to any other person or entity, for any disclosure of such trade secret or confidential information. The TLC will not consider any Proposal which is declared, or a substantial portion of which is declared, by the firm submitting such Proposal, to constitute trade secrets or proprietary information.

H. Negotiations. The TLC reserves the right to accept Proposals in whole or in part, and to negotiate with any or all firms submitting Proposals, on any issue, in any manner necessary to serve the best interests of the TLC.

I. Prohibition Against Unauthorized Contacts. Except as expressly contemplated in this RFP, or in regards to normal business activities not associated with this procurement, no contact or other solicitation initiated by a firm submitting a Proposal or any person employed by such firm will be allowed with any member of the Board of Directors (the "Board") of the TLC or with any officer, employee of or consultant or adviser to the TLC, individually or otherwise, during the application and selection process associated with this RFP. All contact and other solicitations made by a firm submitting a Proposal or any person employed by

such firm shall be directed towards Mr. Will Pinkston, Communications Coordinator. Any violation of this prohibition may result in disqualification.

J. Submissions. Please submit two (2) copies of your Proposal, signed by an authorized officer or agent, to the attention of Mr. Pinkston, Communications Coordinator, Tennessee Education Lottery Corporation, 312 8th Avenue, North, 27th Floor, Snodgrass Building, P.O. Box 23470, Nashville, TN 37202 no later than 5:00 p.m. Central Time, October 21, 2003. Questions regarding this RFP may be directed to Mr. Pinkston at (615) 253-6881. Please note that the TLC makes no guarantee that it will provide a response to any questions before Proposals are due.

K. Proposal Constitutes Offer. Any firm submitting a Proposal agrees to be governed by the terms and conditions set forth in this RFP, and further agrees that the Lease will incorporate the terms and conditions of this RFP, the firm's response to the RFP, including the terms of the form of agreement submitted with its Proposal, and any terms and conditions subsequently negotiated with such firm.

L. Selection. TLC reserves the right to select a firm based solely upon the Proposals; please note, however that TLC also reserves the right to require additional information from any or all of the firms submitting Proposals and/or to schedule formal presentations by such firms at TLC's convenience.

Submitted:

Tennessee Education Lottery Corporation

By: _____

Name: _____

Title: _____